

# INTERMOUNTAIN POWER SERVICE CORPORATION

August 16, 2010

Mr. Nick C. Kezman  
Manager of External Generation  
Los Angeles Department of Water and Power  
P.O. Box 51111, Room 1263  
Los Angeles, CA 90051-5700

Dear Mr. Kezman:

## **Update on Permitting for the STS Upgrade Project**

A portion of the Southern Transmission System (STS) upgrade project includes the enhancement of the high voltage direct current (HVDC) converter thyristor cooling system. New and more efficient cooling towers are part of that designed enhancement. Due to strict rules in Utah governing minor sources, an air permit is required for that portion of the STS upgrade.

On July 15, 2010, IPSC submitted, on behalf of the Southern Transmission System (STS) upgrade project, a notice of intent (NOI) requesting a permit to construct the replacement for cooling towers. A copy of that NOI was also forwarded to LADWP. This letter outlines the time line for permitting the new towers. This permitting time line will extend the startup date for the towers past October.

The NOI was received at the Utah Division of Air Quality (UDAQ) and is undergoing an environmental engineering review. Once complete, the review engineer will recommend permit approval with any required conditions to the UDAQ management. Once the UDAQ director signs off on the draft permit, it is made available for public comment for thirty days. When public comments have been reviewed and addressed, an Approval Order is issued allowing the modification of the Converter cooling towers. We expect this process to take approximately 45 to 60 days from today.

Since the IPP is a Title V source under the Clean Air Act, our Title V Operating Permit will be modified to include the new towers. A Title V Permit allows the operation of emission units specified in the permit. Since the AO and any terms applicable to the cooling towers have already been publicly reviewed, no new public comment period is required. However, the draft Title V permit must be provided to the Environmental Protection Agency (EPA) for a 45-day review period. If the EPA has no objections to the draft permit language, the permit is issued by the UDAQ, and the new modification can be placed into operation. This process can take 60 days or longer.

We expect that, overall, permitting for the new cooling towers at the converter station will be completed before the end of 2010. IPSC staff will keep in regular contact with UDAQ staff so that questions are quickly answered and the process keeps moving along.

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If you have any questions, please contact Mr. Jon Christensen, IPSC Superintendent of Technical Services, at (435) 864-4414, or [jon-c@ipsc.com](mailto:jon-c@ipsc.com).

Cordially,



Jon A. Finlinson  
President and Chief Operations Officer

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